

**BANK OF BARODA, HONG KONG BRANCH**  
**DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**I. Profit and Loss Account**  
**For the six months ended 30th September 2018**

	<u>30.9.2018</u>	<u>30.9.2017</u>
	(HK \$'000)	(HK \$'000)
<b><u>INCOME</u></b>		
Interest income	84,649	137,861
Interest expenses	<u>(60,541)</u>	<u>(110,042)</u>
Net interest income	24,108	27,819
 <b><u>Other Operating Income</u></b>		
Gross fees and commission income	6,249	6,156
Less: Expenses	<u>-</u>	<u>-</u>
Net Fees and Commission Income	6,249	6,156
Gains less losses arising from trading in foreign currencies	2,738	5,663
Gains less losses from trading in securities	-	-
Profit on Sale of Fixed Assets	(12)	-
Others	<u>3,796</u>	<u>3,786</u>
<b>Total Operating Income</b>	<b>36,879</b>	<b>43,424</b>
 <b><u>EXPENSES</u></b>		
<b><u>Operating Expenses</u></b>		
Staff expenses	3,535	6,740
Rental Expenses	3,828	4,266
Other expenses	<u>2,032</u>	<u>9,395</u>
	9,395	14,797
Operating Profit before Impairment Losses	27,484	28,627
Impairment losses and provisions for impaired loans and receivables		
- Collective Provision	376	15,496
- Specific Provision	<u>(2,580)</u>	<u>(87,398)</u>
	(2,204)	(71,902)
<b>Profit (Loss) before Taxation</b>	<b>5,348</b>	<b>(43,275)</b>
<b>Tax Expense</b>	<b>-</b>	<b>(8,871)</b>
<b>Profit (Loss) after Taxation</b>	<b><u>5,348</u></b>	<b><u>(34,404)</u></b>



**BANK OF BARODA, HONG KONG BRANCH**  
**DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**II. Balance Sheet**  
**As at 30th September 2018**

	<u>30.9.2018</u>		<u>31.3.2018</u>
	(HK\$'000)		(HK\$'000)
<b><u>ASSETS</u></b>			
1. Cash and balances with banks	30,803		282,780
2. Placement with banks maturing between one and twelve months	0		667,055
3. Amount due from overseas offices	536,755		2,099,440
4. Trade Bills	349,521		2,473,649
5. Loans and Receivables			
Advances to customers	1,810,726	2,512,525	
Advances to banks	-	0	
Accrued interest and other accounts	97,633	114,496	
Provision for impaired loans and receivables - Collective	(25,129)	(21,107)	
Provision for impaired loans and receivables - specific	(34,166)	(489,462)	2,116,452
6. Investment Securities	462,065		463,741
7. Property, plant and equipment	0		87
<b>Total Assets</b>	<b><u>3,228,208</u></b>		<b><u>8,103,204</u></b>
<b><u>LIABILITIES</u></b>			
8. Deposits and balances of banks	626,400		3,388,910
9. Deposits from customers			
Demand deposits and current accounts	83,986	139,754	
Savings deposits	3,230	15,937	
Time, call and notice deposits	681,289	768,505	2,249,596
10. Amount due to overseas offices	1,799,243	2,093,905	2,400,732
11. Other liabilities	34,060		63,966
12. Other Provisions	0		0
<b>Total Liabilities</b>	<b><u>3,228,208</u></b>		<b><u>8,103,204</u></b>



**BANK OF BARODA, HONG KONG BRANCH**  
**DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**III. Additional Information**

**1. Impaired Loans and Advances**

There were no impaired loans and advances to banks and other financial institutions as at 30th September 2018 and 31st March 2018.

**Impaired Loans and Advances to Customers**

	HK\$ Million			
	Amount	Current market value of collateral	% to total loans and advances	Specific Provision
As on 30.09.2018	25.227	6.349	1.39%	20.742
As on 31.03.2018	441.891	6.349	17.59%	425.251

	<u>30.09.2018</u> HK\$ '000	<u>31.03.2018</u> HK\$ '000
<b>2. Derivatives</b>		
a) Notional Amount		
i) Exchange rate contracts	484,454	777,717
ii) Interest rate contracts	23,477	23,543
TOTAL	<u>507,931</u>	<u>801,260</u>
b) Fair Value of Derivative contracts (Gross)		
i) Exchange rate contracts	(433)	12,450
ii) Interest rate contracts	28	142
TOTAL	<u>(405)</u>	<u>12,592</u>

There are no bilateral netting arrangements and hence there is no effect on the fair value of the derivatives.

**3. Off Balance Sheet Exposure other than derivative transactions**

	<u>30.09.2018</u> HK\$ '000	<u>31.03.2018</u> HK\$ '000
Notional Amount		
i) Direct credit substitutes	12,558	21,142
ii) Trade related contingent items	206,162	1,268,900
iii) Other commitments	-	-
TOTAL	<u>218,720</u>	<u>1,290,042</u>



**BANK OF BARODA, HONG KONG BRANCH**  
**DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**III. Additional Information - continued**

**4 INTERNATIONAL CLAIMS**

	30th September 2018					Total
	Banks	Official Sector	Non-Bank Financial Institutions	Private Financial Sector	Others	
1 Developed Countries	230	-	-	-	-	230
Of which United States	10	-	-	-	-	10
2 Offshore Centres	328	-	-	39	-	367
Of which Singapore	313	-	-	39	-	352
3 Developing Europe	-	-	-	-	-	-
4 Developing Latin America & Caribbean	-	-	-	-	-	-
5 Developing Africa & Middle East	-	-	-	-	-	-
Of which UAE	-	-	-	-	-	-
6 Developing Asia-Pacific	83	-	-	241	-	324
Of which India	83	-	-	241	-	324
7 International Organisations	-	-	-	-	-	-
8 Unallocated by Country	-	-	-	-	-	-
	<b>641</b>	<b>-</b>	<b>-</b>	<b>280</b>	<b>-</b>	<b>921</b>

	31st March 2018					Total
	Banks	Official Sector	Non-Bank Financial Institutions	Private Financial Sector	Others	
1 Developed Countries	146	-	-	-	-	146
Of which United States	145	-	-	-	-	145
2 Offshore Centres	386	-	-	262	-	648
Of which Singapore	386	-	-	262	-	648
3 Developing Europe	-	-	-	-	-	-
4 Developing Latin America & Caribbean	-	-	-	-	-	-
5 Developing Africa & Middle East	439	-	-	-	-	439
Of which UAE	439	-	-	-	-	439
6 Developing Asia-Pacific	3,842	-	-	298	-	4,140
Of which India	3,842	-	-	298	-	4,140
7 International Organisations	-	-	-	-	-	-
8 Unallocated by Country	-	-	-	-	-	-
	<b>4,813</b>	<b>-</b>	<b>-</b>	<b>560</b>	<b>-</b>	<b>5,373</b>

International claims are derived according to the location of counter parties on which the ultimate risk lies after taking into account any transfer of risk.



**BANK OF BARODA, HONG KONG BRANCH**  
**DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**III. Additional Information - continued**

**5. Advances to customers**

	<b><u>30.09.2018</u></b>		<b><u>31.03.2018</u></b>	
	<b>HK\$ ('000)</b>		<b>HK\$ ('000)</b>	
	Loans	Covered by Collateral	Loans	Covered by Collateral
<b><u>i) By Sectors</u></b>				
<b><u>Loans for use in Hong Kong</u></b>				
a) Industrial, commercial & financial				
Wholesale and retail trade				
b) Individuals				
For Purchase of Residential Propertie	-		-	
For other* business purposes	-		-	
For other* private purposes			20,376	20,376
c) Others	107,972	107,972	326,972	326,972
Trade Finance	1,231,849	767,372	1,551,532	187,277
<b><u>Loans for use outside Hong Kong</u></b>	470,905	417,926	613,645	273,900
<b>TOTAL **</b>	<b>1,810,726</b>	<b>1,293,270</b>	<b>2,512,525</b>	<b>808,525</b>

\* Other than for purchase of residential properties or credit card advances

\*\*The total loans are covered by collateral or other security to the extent of HK\$ 808.525 Million as at 31st March 2018 and HK\$ 1810.726 Million as at 30th September 2018 .

	<b><u>30.09.2018</u></b>		<b><u>31.03.2018</u></b>	
	<b>HK\$('000)</b>		<b>HK\$('000)</b>	
Hong Kong	1,339,821		2,170,451	*
India	241,189		68,908	**
Others	229,716		273,166	
<b>TOTAL</b>	<b>1,810,726</b>		<b>2,512,525</b>	

\* Out of the loans to Hong Kong HK\$ 402,711 ('000s) as at 31st March 2018 are impaired loans.

\*\* Out of the loans to India HK\$ 39,180 ('000s) as at 31st March 2018 are impaired loans.

Geographical locations are based on the physical location of the borrower. Risk transfer is only made if the claim is guaranteed by a party in a country which is different from the counterparty.



**BANK OF BARODA, HONG KONG BRANCH**  
**DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**III. Additional Information - continued**

**6. Overdue and Rescheduled Assets of Customers**

Overdue Loans and Advances to customers		30.09.2018		(HK\$'000)		
	Amount	(% to total loans and advances)	Current market value of collateral	Covered portion	Uncovered portion	Specific Provision
More than 3 months but not more than 6 months	-	0.00%	-	-	-	-
More than 6 months but not more than one year	5,980	0.33%	6,349	6,349	18,878	20,742
More than one year	19,247	1.06%				
<b>Total</b>	<b>25,227</b>	<b>1.39%</b>	<b>6,349</b>	<b>6,349</b>	<b>18,878</b>	<b>20,742</b>

Overdue Loans and Advances to customers		31.03.2018		(HK\$'000)		
	Amount	(% to total loans and advances)	Current market value of collateral	Covered portion	Uncovered portion	Specific Provision
More than 3 months but not more than 6 months	-	0.00%	-	-	-	-
More than 6 months but not more than one year	40,498	1.61%	6,349	6,349	435,542	425,251
More than one year	401,393	15.98%				
<b>Total</b>	<b>441,891</b>	<b>17.59%</b>	<b>6,349</b>	<b>6,349</b>	<b>435,542</b>	<b>425,251</b>

There were overdue loans and advances to customers for more than 3 months \$ 40,498 ('000s) as on 31st March 2018 and HKD 5980 ('000s) as on 30th September 2018.

	30.09.2018	31.03.2018
	(HK\$'000)	(HK\$'000)
Current market value of collateral held against the covered portion of impaired loans and advances	6,349	6,349
Covered portion of impaired loans and advances	6,349	6,349
Uncovered portion of impaired loans and advances	18,878	435,542

There were other assets overdue for more than three months to the extent of HK\$ 64,211 ('000s) as at 31st March 2018 and HK\$ 13424 ('000s) as at 30th September 2018 .

There was no repossessed assets held as at 31st March 2018 and 30th September 2018.



**BANK OF BARODA, HONG KONG BRANCH**  
**DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**III. Additional Information - continued**

**7. Overdue and Rescheduled Assets to banks**

There were no advances to banks overdue for more than 3 months as at 31st March 2018 and 30th September 2018.

There were no other assets overdue for more than 3 months as at 31st March 2018 and 30th September 2018.

There were no rescheduled advances as at 31st March 2018 and 30th September 2018.

There were no repossessed assets as at 31st March 2018 and 30th September 2018.

**8. Mainland Activities Exposures**

		30.9.2018			31.3.2018		
		HK\$('000s)			HK\$('000s)		
		On Balance	Off		On Balance	Off Balance	
		Sheet	Balance	Total	Sheet	Sheet	Total
		Exposure	Sheet		Exposure	Exposure	
			Exposure				
1	Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-	-	-	-
2	Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-	-	-	-
3	PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	-	-	-	-	-	-
4	Other entities of central government not reported in item 1 above	-	-	-	-	-	-
5	Other entities of local governments not reported in item 2 above	-	-	-	-	-	-
6	PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	540,981	17,942	558,923	423,685	10,518	434,203
7	Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China	-	-	-	-	-	-
<b>Total</b>		<b>540,981</b>	<b>17,942</b>	<b>558,923</b>	<b>423,685</b>	<b>10,518</b>	<b>434,203</b>
Total assets after provision		3,228,208			8,103,204		
On-balance sheet exposures as percentage of total assets		16.76%			5.23%		



**BANK OF BARODA, HONG KONG BRANCH**  
**DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**III. Additional Information - continued**

**9. Foreign Currency Exposure**

The position in a particular currency will be reported if the net position (in absolute terms) constitutes 10% or more of the total net position in all foreign currencies.

	<b><u>30.9.2018</u></b>			<b>Total</b>
	<b>(HK\$ Million)</b>			
	<b>US\$</b>	<b>GBP</b>	<b>EURO</b>	
Spot assets	3,287	220	15	3,522
Spot liabilities	(3,771)	(233)	(15)	(4,019)
Forward purchases	484	13	0	497
Forward sales	-	-	-	-
Net options	-	-	-	-
Net long (short) position	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

	<b><u>31.3.2018</u></b>			<b>Total</b>
	<b>(HK\$ Million)</b>			
	<b>US\$</b>	<b>GBP</b>	<b>EURO</b>	
Spot assets	8,255	-	51	8,306
Spot liabilities	(8,059)	(263)	(21)	(8,343)
Forward purchases	485	263	1	749
Forward sales	(681)	-	(31)	(712)
Net options	-	-	-	-
Net long (short) position	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

There is no net structural position constituting 10% or more of the total net structural foreign currencies as at 31st March 2018 and 30th September 2018.





**BANK OF BARODA, HONG KONG BRANCH**  
**DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**III. Additional Information - continued**

**10. Liquidity**

	Six Months ended 30.9.2018	Six Months ended 30.9.2017
Average Liquidity Maintenance Ratio	<u>143.41%</u>	<u>52.37%</u>

Average Liquidity Maintenance Ratio is calculated as the simple average of each month's average liquidity ratio for the six months of the financial year computed in accordance with Banking Liquidity Rules.

**LIQUIDITY RISK MANAGEMENT**

Bank has established in all material respects, the Internal Control system and Procedures in accordance with the requirements set-out in the "Supervisory Policy Manual (LM2- Sound Systems and Controls for Liquidity Risk Management) issued by HKMA. The Risk Management Committee, comprising of the Senior Executives of the Hong kong Branch is responsible for implementing the Liquidity Risk Management Strategy. Guidelines are issued by this Committee periodically for funding and contingency Planning. The bank uses the Cash Flow projections / Liquidity Planning schedules, prepared on a daily basis for Liquidity Management. The risk is tracked through maturity and cash flow mis-matches. Surplus or deficit at selected maturity dates, known as "Time buckets" is adopted as the standard tool for measuring Liquidity Risk. Limits on tolerance level of mis-matches have been set by the Bank and monitored regularly. Wholesale deposits and borrowings are also monitored on a daily basis. The Bank calculates periodically various ratios with reference to the borrowings, wholesale deposits, commitments and derivative positions and these ratios are also used for monitoring the liquidity management. In addition, the Bank has committed lines of credit available to it, which can be utilised at any time, without any notice. Overall, the Bank has established sound Liquidity Policies and Procedures for Liquidity Management and they are being adhered to strictly.



**BANK OF BARODA, HONG KONG BRANCH**  
**DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**III. Additional Information - continued**

**11. Remuneration System**

The senior Management and the key personnel of the branch are Bank's officers from India, the remuneration package is on the lines decided by the Working Group of the Standing Committee by the Government of India, Ministry of Finance (Banking Division). The Standing Committee has been mandated to standardize the remuneration package to be paid to all India based officers of Indian public sector banks operating in various overseas centers including Hong Kong. The Committee meets at periodic intervals to review/revise the remuneration package taking into account cost of living, market situation, etc.

**Remuneration of Senior Management and Key Personnel**

Information on the remuneration for the Bank's senior management and key personnel is set out below:

(i) Amount of remuneration for the six months ended 30th September 2018.

	HK\$ ('000s)	Beneficiaries
Fixed remuneration	345	2
Variable remuneration	-	-
	<u>345</u>	<u>2</u>

ii) No senior management or key personnel has been awarded with deferred remuneration during the six months ended 30th September 2018.

iii) No senior management or key personnel has been awarded with new sign-on or severance payment during the six months ended 30th September 2018.

**Page 10**



**BANK OF BARODA, HONG KONG BRANCH**  
**DISCLOSURE STATEMENT**  
**SECTION B - BANK INFORMATION CONSOLIDATED BASIS**

**1. Capital and Capital Adequacy**

	<u>31.3.2018</u> HK\$('000s)	<u>31.3.2017</u> HK\$('000s)
<b><u>i) Capital</u></b>		
Shareholders' Funds	<u>56,070,118*</u>	<u>51,393,285**</u>
<b><u>ii) Capital Adequacy Ratio***</u></b>		
Basel III	<u>12.87%</u>	<u>12.80%</u>

\*\*\*Capital Adequacy Ratio is calculated in accordance with the requirements of Reserve Bank of India.

**2. Other financial information**

	<u>31.3.2018</u> HK\$('000s)	<u>31.3.2017</u> HK\$('000s)
Total Assets	900,427,355*	858,258,369**
Total Liabilities	844,357,237*	806,865,084**
Total Advances	527,322,408*	468,093,433**
Total Customer Deposits	<u>687,816,904*</u>	<u>654,017,635**</u>
	<b><u>Year Ended</u></b> <b><u>31st March 2018</u></b>	<b><u>Year Ended</u></b> <b><u>31st March 2017</u></b>
Pre-tax Profit( Loss)	<u>(2,505,388)*</u>	<u>3,653,827**</u>

\* Indian Rupee converted to HK\$ @ 8.305 (31st March 2018)

\*\* Indian Rupee converted to HK\$ @ 8.38 (31st March 2017)

**Declaration of Chief Executive Officer**

We have prepared the financial disclosure statement of Bank of Baroda, Hong Kong Branch for the six months ended 30th September 2018. The information disclosed complies fully with the Banking (Disclosure) Rules made by the Hong Kong Monetary Authority under Section 60A of the Banking Ordinance (Cap.155). To the best of my knowledge, the Disclosure Statement is not false or misleading.

  
**Chief Executive**  
**Bank of Baroda**  
**Hong Kong**

